



Steamship
Mutual

Oil Pollution: Cover and Conventions



Sue Watkins

Mutual Vision



Torrey Canyon



Club Rule 25.vi



Liabilities, losses, damages, costs and expenses caused by or consequent on the **escape or discharge or threatened escape of discharge of oil or any other substance from the entered ship** as follows:



Liability for **loss, damage or contamination**



Costs of any measures reasonably taken for the purpose of **avoiding, minimising or cleaning up** any pollution, any imminent danger of pollution, or any resulting loss, damage or contamination, together with any liability for any loss of or damage to property caused by any measures so taken



Costs of any measures reasonably taken to **prevent an imminent danger** of discharge or escape from the entered ship of oil or any other substance which may cause pollution



Civil Liability Convention 1992 (CLC)



- **First tier of compensation – payable by ship owner/insurer**
- **Any seagoing vessel or seaborne craft constructed or adapted for the carriage of oil in bulk**
- **When in fact carrying oil in bulk as cargo or has residues of previous cargo on board**
- **Oil is any persistent hydrocarbon mineral oil – whether carried as cargo or bunkers**
- **Pollution Damage**
 - (a) Loss or damage caused outside the ship by contamination resulting from the escape or discharge of oil from the ship.....*
 - (b) The costs of preventive measure and further loss or damage caused by preventive measures*

Civil Liability Convention 1992 (CLC)

- 💡 Channelling of claims against the Shipowner
- 💡 Strict liability
- 💡 Limit of liability – max. US\$126 million
- 💡 Evidence of insurance or other financial security
- 💡 Direct rights of action against insurers





1993 Fund Convention

- Second tier compensation
- Limit of liability – max. US\$285 million
- Funded by receivers of oil in States parties to the Fund Convention
- Administered by IOPC Funds
- Compensation available when:

Damage exceeds to Shipowner's liability under CLC

Shipowner is exempt from liability under CLC

Shipowner is incapable of meeting CLC obligations

Shipowner is not known

Supplementary Fund Protocol 2003



Third tier of compensation



Limit of liability – max. US\$1 billion



Funded by receivers of oil in States parties to the Fund Protocol

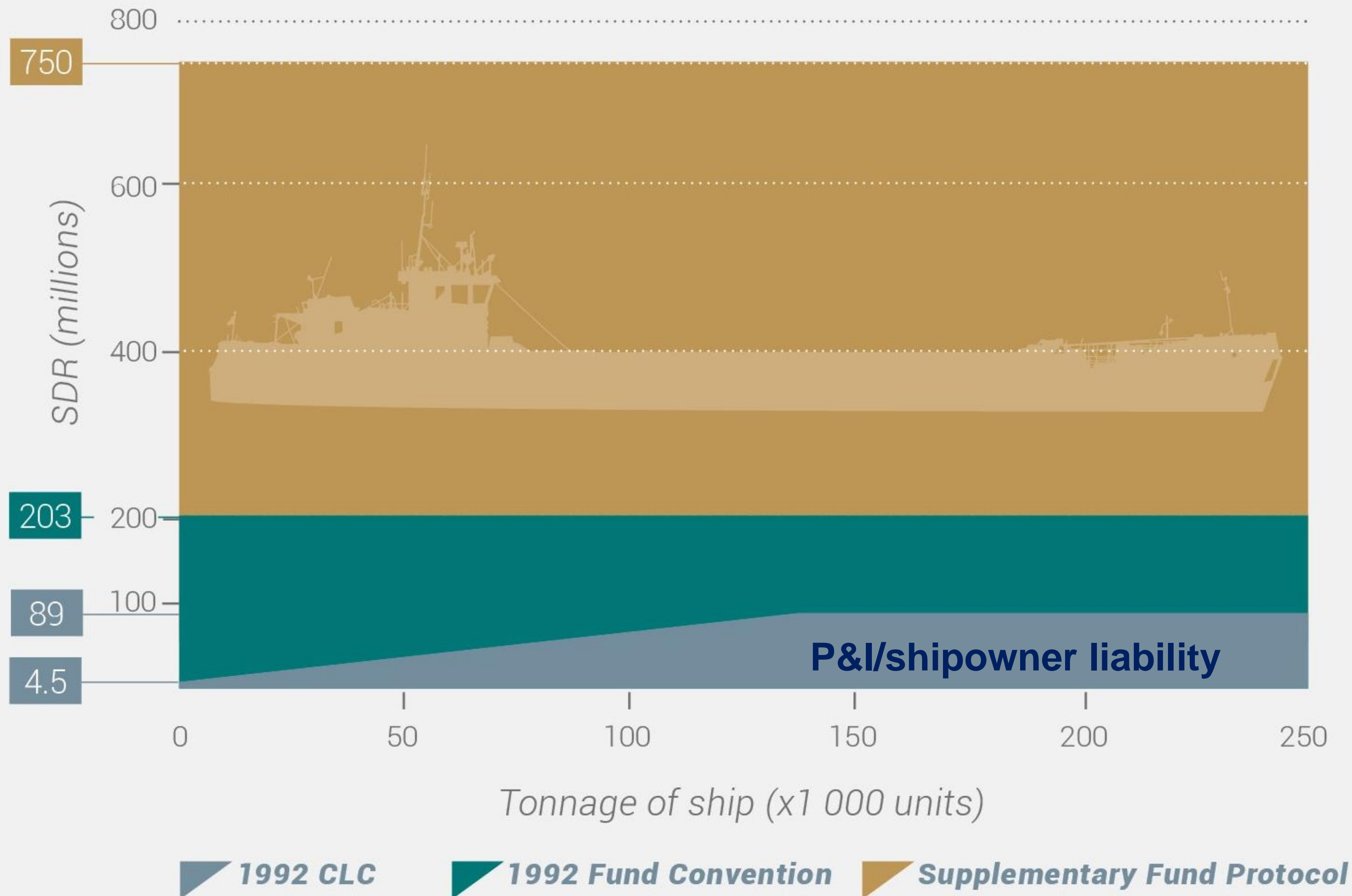


Administered by IOPC Fund



No incidents to date have called upon the Supplementary Fund

Maximum limits of compensation



STOPIA and TOPIA

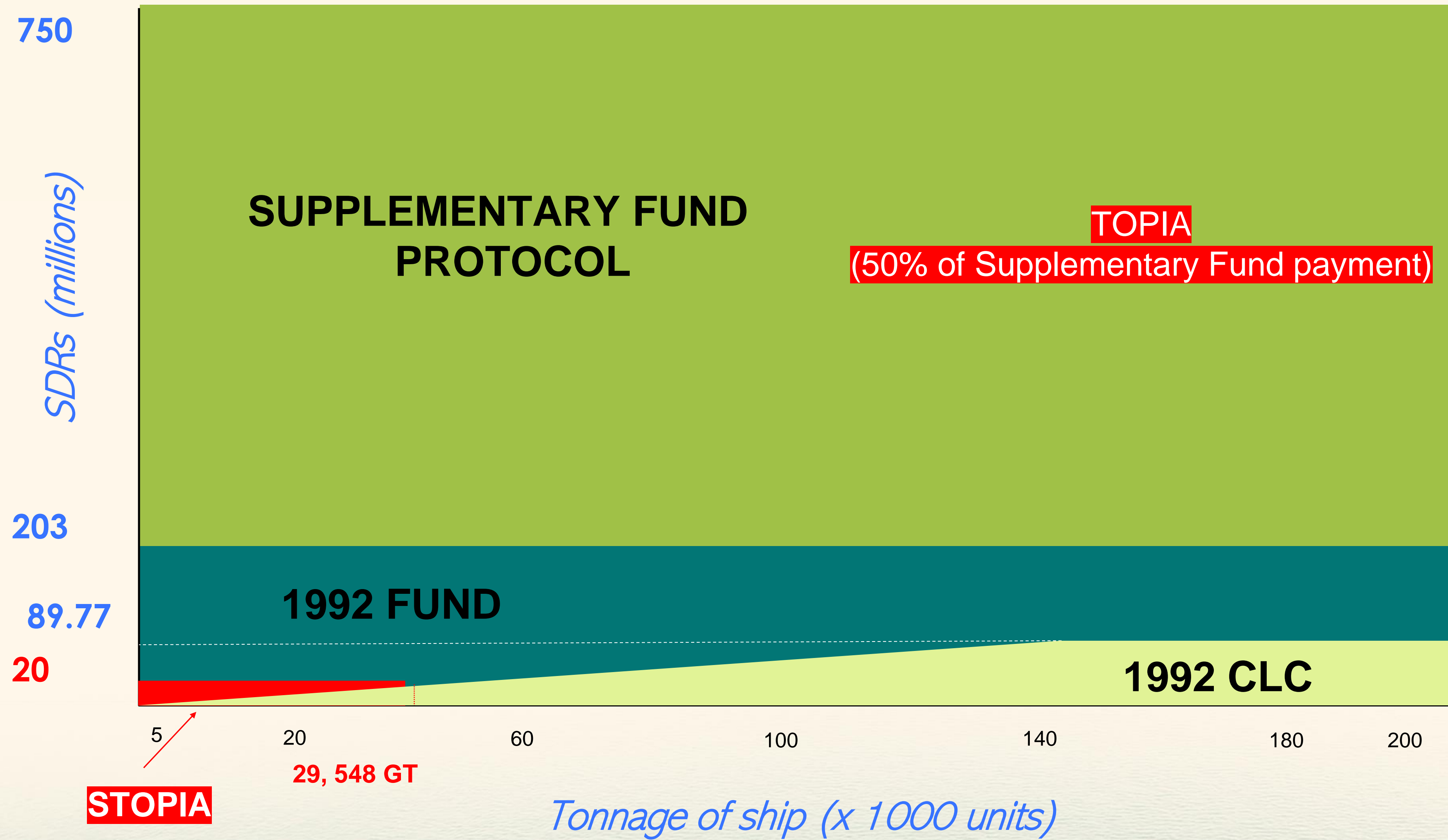


STOPIA

- Tankers of less than 29,548GT
- State Party in which damage occurs is a party to CLC and Fund Convention
- Shipowner indemnifies the Fund up to SDR 20 million







TOPIA

- State Party in which damage occurs is a party to CLC, Fund Convention and Supplementary Fund
- Shipowner Indemnify Supplementary Fund 50% of sums it pays



Bunkers Convention



-  No channelling – registered owner, bareboat charterer, manager or operator
-  Registered owner of ship over 1,000 GT must provide evidence of insurance or other financial security
-  Direct rights of action against insurers
-  Any seagoing vessel and seaborne craft, of any type whatsoever
-  Does not apply to pollution damage which falls under CLC
-  Limit of liability – LLMC 1976 as amended






OPA 90



- ⚓ All vessel types and oil types
- ⚓ Polluter arranges clean-up
- ⚓ Two tier system – Shipowner and Oil Spill Liability Trust Fund (OSLFT)
- ⚓ Test for breaking limit
- ⚓ Certificate of Financial Responsibility (COFR)
not issued by the P&I Club



International Group of P&I Clubs

-  International Group Pollution Committee
-  Monitor legislative changes and represent Shipowners' views
-  Focal point for industry and governments through extensive outreach & collaboration
-  Representation at IMO and IOPC Funds
-  One of the busiest and longest standing of the International Group Committees



Unified Interpretation (UI)



- Test for breaking the shipowners' right to limit its liability:

the Shipowner can limit liability 'unless it is proved that the pollution damage resulted from his personal act or omission, committed with intent to cause such damage, or recklessly and with knowledge that such damage would probably result.'

- Six-year project culminated in three IMO Assembly Resolutions
- Intended to be premised upon virtual unbreakability and linked to insurance
- Wilful misconduct, not lesser standard of gross negligence
- Reckless and knowledge go together
- Clear guidance for courts, States, insurers and shipowners for future cases
- Shows what can be achieved when we work together

Any Questions?

